



ENERGY ASSURANCE DAILY

Wednesday Evening, July 16, 2008

Electricity

Update: Some Downtown Vancouver Customers Remain Without Power for Third Day

As of 6:00 AM Pacific time, July 16, BC Hydro crews have restored power to approximately 90 per cent of the 20,000 customers in Vancouver's downtown core that have experienced outages after an explosion at one of the city's major substations July 14. The outage began when flames from a circuit failure in a cable splice burned and melted the insulation on nearby cables, creating fumes and gas that ignited in an explosion. BC Hydro is asking its customers to conserve as much power as possible until the whole system is returned to service and is operating to its full capacity. All customers are expected to have their power restored by the end of July 16.

http://www.bchydro.com/news/2008/jul/release57571.html?WT.mc_id=july14_outage

http://www.ctv.ca/servlet/ArticleNews/story/CTVNews/20080714/BC_downtown_vancouver_080714/20080714?hu

http://www.theglobeandmail.com/servlet/story/RTGAM.20080716.wbcoutage16/BNStory/National/home?cid=al_gam_mostview

New York ISO Issues 2008 Comprehensive Reliability Plan

The Board of Directors of the New York Independent System Operator (NYISO) has approved the 2008 Comprehensive Reliability Plan (CRP) for New York's bulk electricity grid. According to the plan, proposed market-based solutions, together with implementation of planned upgrades to the bulk power system, meet or exceed reliability requirements through 2017. The market-based proposals submitted to the NYISO total 3,380 MW. The 2008 CRP reports that resource adequacy and transmission security criteria will be met by development of at least 2,350 MW of the 3,380 MW proposed as market-based solutions.

http://www.nyiso.com/public/webdocs/newsroom/press_releases/2008/NYISO_Issues_2008_Comprehensive_Reliability_Plan_071508.pdf

FERC Okays California ISO's First Step in Clearing Backlog of Power Plant Requests to Hook Up to Grid

The Federal Energy Regulatory Commission (FERC) issued an order July 14 granting the California Independent System Operator (CAISO) Corporation the ability to waive certain rules and timelines for handling requests from new power plants hoping to hook up to the transmission system. As a result, CAISO can begin immediately to reduce a backlog of projects in its overloaded generation interconnection queue. The order is part of a two-step process for CAISO. The second step is to gain FERC approval for a full-scale Generator Interconnection Process Reform (GIPR) proposal.

<http://www.caiso.com/2005/2005b62947aa0.pdf>

Nevada Power Commences Operations at 600 MW Expansion of Clark Power Station in Nevada July 16

Nevada Power Company has completed construction and commenced commercial operations at the 600 MW expansion project of the Clark Power Station located in Las Vegas. Construction of the project began in June 2007 and was completed earlier this year.

<http://www.marketwatch.com/news/story/nevada-power-completes-construction-300/story.aspx?guid=%7B3AFA4D74-665C-434A-A4A1-03278E849238%7D&dist=hppr>

Update: Alliant's Flood-Damaged Prairie Creek Power Plant in Cedar Rapids, Iowa Expected to Return to Service by End of Year

The 185 MW Prairie Creek and 55 MW Sixth Street Generating Stations located on the Cedar River remain out of service. Initial assessments at Prairie Creek have been completed and it is expected to return to service by the end of the year. Assessments are ongoing at Sixth Street and a decision about the plant's future will await these results.

<http://phx.corporate-ir.net/phoenix.zhtml?c=71431&p=irol-newsArticle&ID=1175209&highlight>

Update: Constellation's 1,120 MW Nine Mile Point Nuke Unit 2 in New York Returns to Full Power July 15

The unit returned to full power on the afternoon July 15 after workers fixed an electrical problem that caused a partial reduction in feedwater. On the morning of July 15 the unit was reported as operating at 65 percent of capacity.

<http://www.reuters.com/article/marketsNews/idUSN1532164520080715>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

Update: TVA's 1,118 MW Browns Ferry Nuke Unit 3 in Alabama at Full Power by July 16

The unit reached full power by early July 16. TVA shut the unit on July 11 to repair a steam leak. The Nuclear Regulatory Commission reported that on the morning of July 15 the unit was operating at 77 percent, down from 90 percent of capacity on July 14.

<http://www.al.com/business/huntsvilletimes/index.ssf?/base/business/1215854105308570.xml&coll=1>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

Energy Northwest's 1,107 MW Columbia Generating Station Nuke Unit in Washington Reduced to 81 Percent by July 16

The Nuclear Regulatory Commission reported that the unit was operating at 81 percent of capacity on July 16, down from full power on the morning of July 15.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

La Paloma's 260 MW La Paloma Gas-fired Unit 4 in California Returns to Service by July 15

According to the California Independent System Operator, the unit returned from an unplanned outage by July 15.

<http://www.caiso.com/unitstatus/data/unitstatus200807151515.html>

SCE Begins Construction of Rooftop Solar Panel Installation Project in California

On July 14 Southern California Edison (SCE) has began construction of a photovoltaic power plant system for a 2 megawatt project to be installed on the roof of a commercial building in Fontana, California. This is the first installation in SCE's plan to install 250 megawatts of solar generating capacity on large commercial rooftops throughout Southern California over the next five years. SCE expects to connect the power plant system to the grid in September 2008.

<http://www.edison.com/pressroom/pr.asp?id=7083>

<http://investor.firstsolar.com/releasedetail.cfm?ReleaseID=322481>

Petroleum

Crude Oil Has Biggest One-day Price Drop in 18 Years July 15

On July 15 crude oil for August delivery on NYMEX fell to \$135.92 per barrel at 11:00 AM Eastern time, down as much as \$9.26 from \$144 per barrel at 10:30 AM. The contract settled \$6.44, or 4.4 percent, lower at \$138.74 per barrel. The drop came as Federal Reserve Chairman Ben Bernanke said risks to global inflation have risen, supply disruptions ended in Brazil and Nigeria, and reports indicated that the U.S. will send an envoy to talks with Iran over its nuclear plans.

http://www.bloomberg.com/apps/news?pid=20601091&sid=amC4w7_9I7to&refer=india

FCCU Briefly Shut at Citgo's 156,000 b/d Corpus Christi, Texas Refinery July 15

According to a filing with Texas regulators, Citgo is in the process of restarting the No. 2 fluidic catalytic cracking unit (FCCU) on July 16, one day after shutting the unit down. The filing said the shutdown was due to a "need to conduct thermal spall on unit expander."

<http://www2.tceq.state.tx.us/ee/main/index.cfm?fuseaction=getDetails&target=110884>

Update: Keystone Pipeline to Expand to Serve the U.S. Gulf Coast

TransCanada Corporation and ConocoPhillips plan to expand the Keystone crude oil pipeline system and provide additional capacity of 500,000 b/d from Western Canada to the U.S. Gulf Coast in 2012. When completed, the expansion will increase the commercial design of the Keystone Pipeline system from 590,000 b/d to approximately 1.1 million b/d. The Keystone Pipeline will be constructed and operated as an integrated system with delivery points in the U.S. Midwest and U.S. Gulf Coast. Construction of the facilities is anticipated to commence in 2010 following the receipt of the necessary regulatory approvals.

Map: <http://www.transcanada.com/keystone/index.html>

http://www.transcanada.com/news/2008_news/20080716.html

Petrobras Oil Workers to Begin 48-Hour Nationwide Strike in Brazil July 17 but Company Expects No Impact to Production

This strike is in addition to a separate five-day strike started Monday, July 14 in the Campos Basin

<http://www.canada.com/calgaryherald/news/calgarybusiness/story.html?id=0f6de184-66d9-482c-b786-9285cd0d5d1a>

Mexico's Cantarell Output to Drop 400,000 b/d by 2012 - Pemex

On July 16, Mexico's state owned oil company, Pemex, said that production from its Cantarell oil field will drop to 600,000 b/d in 2012, down from 1.038 million b/d at present. Cantarell peaked in 2004 at around 2 million b/d.

Reuters, 12:02 July 16, 2008

Natural Gas

Nothing to report.

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
July 16, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	134.46	135.77	74.11
\$/Barrel			
NATURAL GAS			
Henry Hub	11.79	12.10	6.32
\$/Million Btu			

Source: Reuters

Energy Notes

Hot Weather, High Blamed for Power Outage Affecting 16,600 Xcel Customers in Minneapolis-St. Paul Metro Area July 15

http://www.startribune.com/local/25501819.html?location_refer=Homepage:highlightModules:3

Iraq's Northern Pipeline Oil Exports Restart July 16 after Brief Stoppage

Reuters, 08:02 July 16, 2008

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/index.aspx>.

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